



General Assembly

January Session, 2013

***Raised Bill No. 912***

LCO No. 2927



Referred to Committee on BANKS

Introduced by:  
(BA)

***AN ACT CONCERNING PREPAID CARDS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 42-460a of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2013*):

3 (a) As used in this section, "general-use prepaid card" has the same  
4 meaning given to that term in 12 CFR 205.20(a)(3), as from time to time  
5 amended.

6 (b) A general-use prepaid card shall not include an expiration date  
7 relative to the underlying funds that are redeemable through the use of  
8 the applicable card, code or device. Notwithstanding the provisions of  
9 this subsection, a general-use prepaid card may include an expiration  
10 date with regard to such card, code or device, provided: (1) The  
11 purchaser of or individual who increases or reloads funds onto the  
12 card, code or device may, by way of a financial account that is linked  
13 to such card, code or device, receive back both the remaining  
14 unexpended balance and the accrued interest earned on the  
15 unexpended balance on such card, code or device as of the date of

16 expiration of such card, code or device; (2) the purchaser of or  
17 individual who increases or reloads funds onto the card, code or  
18 device may set the expiration date on such card, code or device at not  
19 less than ninety days from the date of purchase of or increasing or  
20 reloading of funds onto such card, code or device, for the purpose of  
21 receiving back the unexpended balance and accrued interest earned  
22 on the unexpended balance on such card, code or device in an  
23 expedited manner; (3) the purchaser of or individual who increases or  
24 reloads funds onto such card, code or device may transfer the  
25 unexpended balance on such card, code or device to a bank offering a  
26 higher yield on and full insurance from the Federal Deposit Insurance  
27 Corporation for the transferred balance until the consumer or recipient  
28 of such card, code or device utilizes the unexpended balance or until  
29 the date of expiration on such card, code or device has passed,  
30 provided such purchaser or individual has a financial account that is  
31 linked to such card, code or device; (4) the following disclosures are  
32 made, in writing, on such card, code or device: (A) (i) That such card,  
33 code or device expires, but that the underlying funds do not expire,  
34 provided the purchaser of or individual who increases or reloads  
35 funds onto such card, code or device has not set an expiration date in  
36 accordance with subdivision (2) of this subsection, and (ii) that the  
37 consumer may contact the issuer for a replacement card, code or  
38 device; and (B) a toll-free telephone number and an Internet web site  
39 address, if one is maintained, that a holder of a general-use prepaid  
40 card may use to obtain a replacement card, code or device after such  
41 card, code or device expires, provided the purchaser of or individual  
42 who increases or reloads funds onto such card, code or device has not  
43 set an expiration date in accordance with subdivision (2) of this  
44 subsection; [(2)] (5) no fee or charge is imposed on [such] the holder of  
45 such card, code or device for replacing the card, code or device or for  
46 providing such holder with the remaining balance in some other  
47 manner, provided the card, code or device has not been lost or stolen  
48 and has not expired in accordance with subdivision (2) of this  
49 subsection; [and (3)] (6) no fee or charge is imposed on the purchaser

50 of or individual who increases or reloads funds onto the card, code or  
 51 device for replacing the card, code or device or providing such  
 52 purchaser or individual with the unexpended balance in some other  
 53 manner, provided the card, code or device has not been lost or stolen;  
 54 and (7) the seller of the card, code or device has established policies  
 55 and procedures to provide consumers a reasonable opportunity to  
 56 purchase a card, code or device that has not less than five years  
 57 remaining until the card, code or device expires, unless the purchaser  
 58 of or individual who increases or reloads funds onto such card, code or  
 59 device has a financial account that is linked to such card, code or  
 60 device and sets an expiration date on such card, code or device at not  
 61 less than ninety days from the date of purchase or increasing or  
 62 reloading at which time the unexpended balance and any accrued  
 63 interest on the unexpended balance on such card, code or device shall  
 64 be transferred to such financial account.

65 (c) For purposes of complying with the disclosure requirements of  
 66 subdivision (1) of subsection (b) of this section, (1) the issuer of the  
 67 general-use prepaid card may provide disclosures that are consistent  
 68 with the applicable provisions of 12 CFR 205.20(e), as from time to  
 69 time amended, and (2) such issuer shall make the disclosure required  
 70 under subparagraph (A) of said subdivision (1) with equal prominence  
 71 and in close proximity to the expiration date on the applicable card,  
 72 code or device.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2013	42-460a

**Statement of Purpose:**

To permit a purchaser of or individual who increases or reloads funds onto a general-use prepaid card, code or device to (1) receive back the unexpended balance and accrued interest on such balance by way of a financial account that is linked to such card, code or device, (2) receive back the unexpended balance and accrued interest in an expedited

manner, and (3) transfer the unexpended balance to a bank offering a higher yield and insurance from the FDIC on such balance.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*